Government of Saskatchewan

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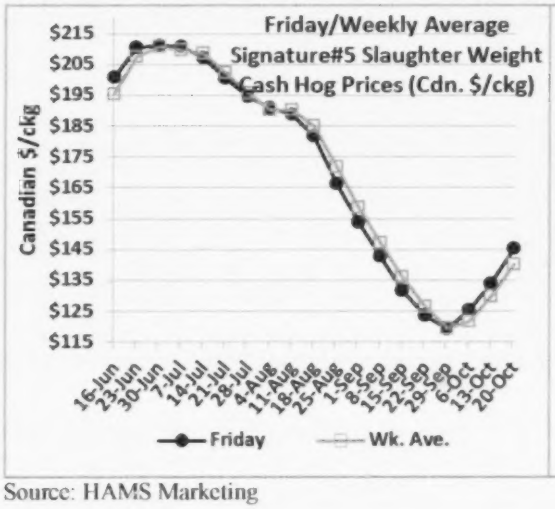
Weekly Hog Report

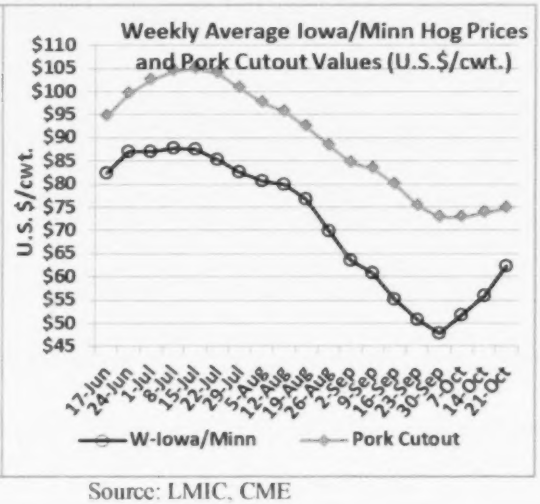
October 23, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) continued higher last week with prices moving higher, week-over- week. Hog prices on Friday October 20 averaged US$65.18 per cwt, up US$6.85 per cwt or 11.7 per cent from US$58.33 per cwt the previous Friday. The negotiated weekly base price last week averaged US$62.62 per cwt, up US$6.69 per cwt or 12.0 per cent from US$55.93 per cwt the previous week.



Source: HAMS Marketing

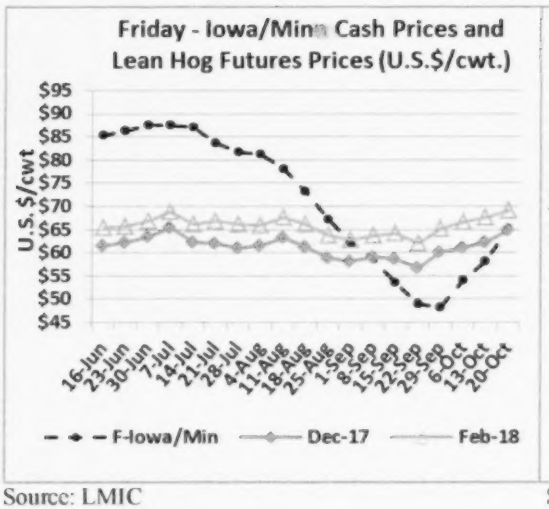


Source: LMIC, CME

In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday October 20, 2017 was $145.21 per ckg, up $11.50 per ckg or 8.6 per cent from $133.71 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $140.17 per ckg, up $10.52 per ckg or 8.1 per cent from the previous weeks' average price of $129.65 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 79.36 cents, down 0.72 cents from 80.08 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily higher last week to push prices higher, week-over-week. The nearby December contract increased US$2.675 per cwt to settle last Friday at US$64.85 per cwt; while the February 2018 contract increased US$1.65 per cwt to settle last Friday at US$69.100 per cwt.



Source: LMIC

Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$35.93 per head, up US$3.55 per head or 11.0 per cent from US$32.38 per head the previous week. Feeders (40lb) averaged US$47.78 per head, up US$4.64 per head or 10.8 per cent from US$43.14 per head, the previous week.

Iowa cash corn prices settled last Friday at US$2.98 per bushel, down seven cents from US$3.05 per bushel the previous Friday. Daily corn futures were mixed last week with bigger price declines on Friday to push prices lower, weak-over-week. The December corn contract declined 8¼ cents to settle last Friday at US$3.44 ½ per bushel. The March 2018 corn contract declined eight cents to settle last Friday at US$3.58 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 20 were estimated at 2.485 million head, down 1.2 per cent from 2.516 million head the previous week, and down 1.5 per cent from 2.524 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged 2.512 million head, up 3.5 per cent from 2.427 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Thanksgiving week ending October 13, 2017 were estimated at 375,565 head, down 7.2 per cent from 404,671 head the previous week, but up 0.8 per cent from 372,597 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 417,671 head, down 0.7 per cent from 417,627 head over the same period a year ago.
Year-to-date, Canadian hog slaughter numbers totaled 16,905,345 head, up 1.8 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending October 21, 2017 was estimated at 523.1 million lb., down 1.3 per cent from 529.9 million lb. the previous week, and down 1.8 per cent from 532.6 million lb. the same week a year ago. Pork production over the last four week's ending October 21 was estimated to average 528.7 million lb., up 3.6 per cent from 510.45 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 21 was estimated at 521.5 million lb., up 1.4 per cent from 514.4 million lb. the previous week, and up 3.3 per cent from 505.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 14, 2017, was estimated to average 2.225 billion lb., up 3.5 per cent from 2.149 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.4 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Oct. 14) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	506.9	529.4	4.5%	3.1%
Beef	508.1	524.9	3.3%	4.4%
Chicken	1,005.2	1,038.2	3.3%	1.3%
Turkey	129.1	133.0	3.0%	0.5%
Total	**2,149.2**	**2,225.4**	**3.55%**	**2.37%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending October 20, 2017 averaged US$74.75 per cwt, up US$0.91 per cwt or 1.2 per cent from US$73.84 per cwt the previous week; and up 2.3 per cent from US$73.08 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 20, 2017 averaged US$198.63 per cwt over the week, up US$1.24 per cwt or 0.6 per cent from US$197.50 per cwt the previous week, and up 10.4 per cent from US$179.99 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 20, 2017 averaged US$113.42 per cwt, up US$2.11 per cwt or 1.9 per cent from US$111.31 per cwt the previous week, but down 0.8 per cent from US$114.34 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on October 23, 2017. The United States' pork stocks in cold storage totaled 616.3 million lb. on September 30, 2017, up 7.0 per cent from 575.7 million lb. on August 31, 2017, but down 4.0 per cent from 642.3 million lb. on September 30, 2016. U.S. pork stocks in cold storage for September 30, 2017 were below the monthly 12-year highs; but above the monthly 12-year average.

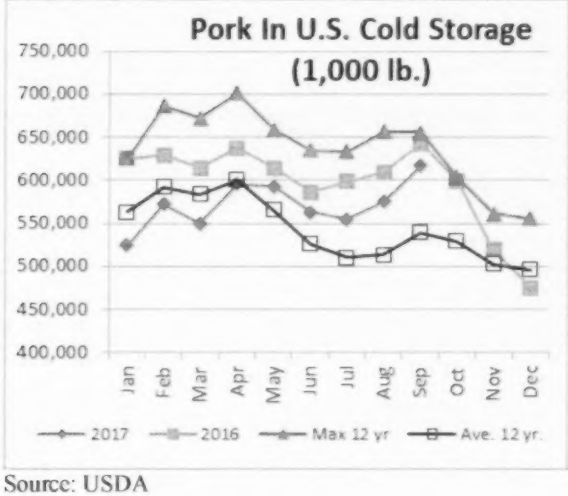
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**30-Sep-2016**	**31-Aug-2017**	**30-Sep-2017**
Pork	642,303	575,698	616,312
Beef	519,022	476,567	487,812
Chicken	769,084	782,053	823,365
Turkey	511,199	600,013	568,247
Total Combined	**2,441,608**	**2,434,331**	**2,495,736**

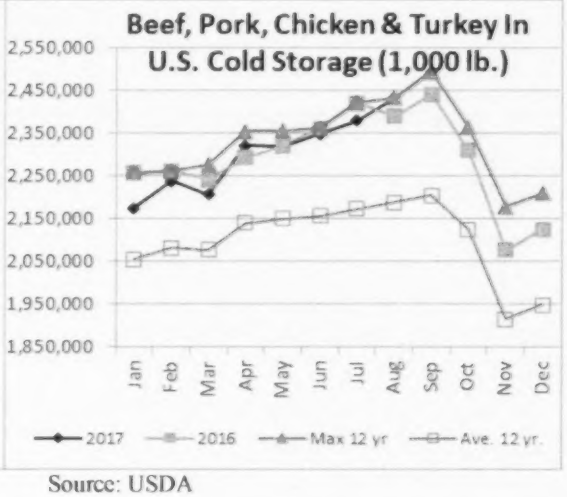
Source: NASS

The U.S. beef stocks in cold storage totaled 487.8 million lb. on September 30, 2017, up 2.4 per cent from 476.6 million lb. on August 31, 2017, but down 6.0 per cent from 519.2 million lb. on September 30, 2016. Beef stocks in cold storage for September 30, 2017 were above the monthly 12-year average, but below the monthly 12-year highs.

Total pork, beef, chicken and turkey in cold storage on September 30, 2017 was at 2.496 billion lb., up 2.5 per cent from August 31, 2017, and up 2.2 per cent from September 30, 2016. U.S. meat in cold storage for September 30, 2017 was above the 12-year average; and above the previous 12-year record highs of 2.442 billion lb. established in September 2016. The increased meat in U.S. cold storage for September was a combination of increases for pork, beef, and chicken.



Source: USDA



Source: USDA

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